

Treasury Department,

Bureau of the Mint,

Washington, D. C. Sept. 2, 1899.

S. Phelps Esq.,

Joliet, Illinois.

Sir:

Replying to your letter of the 25th ultimo, I beg to say that the interview referred to does not say that the fall in silver influenced the price of wheat here or in London. I do not think such was the case, but in the interview referred to that opinion is held by others. My own views are so fully set forth in my report of 1898, -p.p. 191-203,- that I do not think it necessary to elaborate here.

I see no force in your argument that the dollar should be scaled down in this country as the rouble has been in Russia and the rupee in India. The very reason given for scaling down the rouble is the reason for maintaining the dollar. The Russian Government held that as all business contracts, wages and prices were adjusted to the depreciated rouble, which has been the medium of exchange for many years, it would be unjust and unwise to raise its value. That argument might have had some force here in the days of our depreciated paper

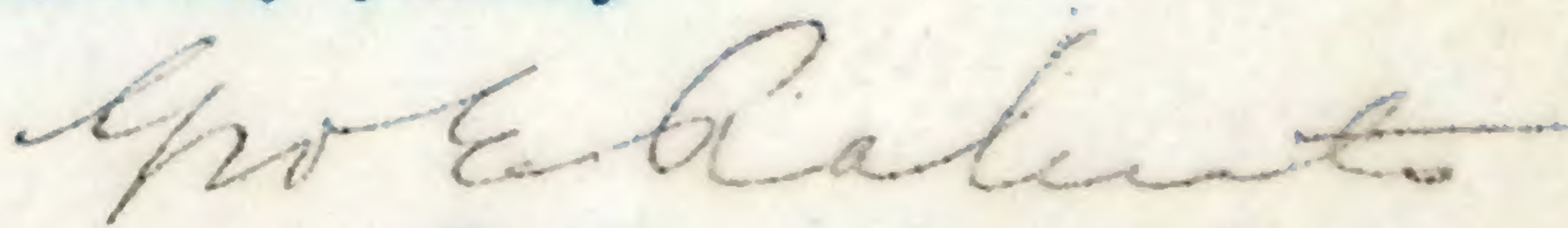
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money, but since January 1st, 1879, all business in this country has been adjusted to the dollar of 22.23 grains of fine gold. Those who have sold by that standard have also bought by it. Those who have borrowed their money by that standard.

It makes no difference how many grains compose a dollar, a rouble or a rupee, after the business in each country is adjusted to it, a change in any country inevitably causes confusion and injustice. In my opinion the gold standard has been much more stable, compared to labor, which I take to be the ultimate test, than silver. It has been accepted by practically the whole world, and while I believe in the independence of this country, I do not see the advantage of that kind of independence which is simply isolation, or which would refuse to use the multiplication table because other nations use it.

I note your criticism upon what you term the partisan features of the interview and I recognize all of the obligations you refer to. I can only say thereupon, that I answered certain questions put to me according to my judgment, giving facts as I see them. If I replied all I could give no other answer.

Respectfully yours,



Director of the Mint.

Treasury Department,
Bureau of the Mint,
Washington, D.C.,

Sept 2, 1899.

Mr. A. S. Phelps Esq.,
Joliet, Illinois.

Sir:

Replying to your letter of the 25th ultimo, I beg to say that the interview referred to does not say that the fall in silver bullion influenced the price of wheat here or in London. I do not think such was the case, but in the interview referred to that opinion as held by others. My own views are so fully set forth in my report of 1898, pp. 191-203, that I do not think it necessary to elaborate them here.

I see no force in your argument that the dollar should be scaled down in this country as the rouble has been in Russia and the rupee in India. The very reason given for scaling down the rouble is the reason for maintaining the dollar. The Russian Government held that all business contracts, wages and prices were adjusted to the depreciated rouble, which has been the medium of exchange for many years, it would be unjust and unwise to raise its value. That argument might have had some force here in the days of our depreciated paper money, but since January 1st, 1879, all business in this country has been adjusted to the dollar of 22.23 grains of fine gold. Those who had sold by that standard have also bought by it. Those who have [xxxx] borrowed their money by that standard.

It makes no difference how many grains compose a dollar, a rouble or a rupee, after the business in each country is adjusted to it, but a change in any country inevitably causes confusion and injustice. In my opinion the gold standard has been much more stable, compared to labor, which I take to be the ultimate test, than silver. It has been accepted by practically the whole world, and while I believe in the independence of this country, I do not see the advantage of that kind of independence which is simply isolation, or which would induce us to use the multiplication table because other nations use it.

I note your criticism upon what you term the partisan features of the interview and I recognize all of the obligations you refer to. I can only say thereupon, that I answered certain questions put to me according to my judgment, giving facts as I see them. If I replied ill, I could give no other answer.

Respectfully yours,
[Signature]
Director of the Mint.